

MANUFACTURING EXTENSION PARTNERSHIP

Success Stories from the Field

Sparton Corp

Michigan Manufacturing Technology Center

Sparton Corporation Begins The Journey Toward A Lean Transformation

Client Profile:

Sparton Corporation, headquartered in Jackson, Michigan, has emerged as the leader of the mid-tier electronic design and manufacturing service (EMS) industry. The company provides assembly services in manufacturing circuit board assemblies, complete product encasements, prototyping, repair services, and engineering design services. The company has six locations throughout North America and a broad network of alliance partners serving the aerospace, telecommunications, medical, and government industries. Sparton is still one of the two suppliers of Sonobouys to the U.S. Navy and other free world navies. Founded in 1900, Sparton has been a publicly traded company since 1928. The company employs less than 250 people.

Situation:

Sparton Corporation identified quality, on-time delivery, and annual cost reductions as the formula for successful pursuit of new markets, and turned to outside sources to help begin the transition to lean thinking. As Sparton completed its planning phase, the company relied on the holistic approach to lean taken by the Michigan Manufacturing Technology Center (MMTC), a NIST MEP network affiliate, to guide it through lean implementation.

Solution:

MMTC began training for all employees to help smooth the cultural transition to lean practices. The training incorporated a series of simulations that encouraged hands-on employee involvement, helping formerly skeptical personnel adapt to the cultural change in a relatively short time by showing them what benefits a lean implementation can bring to a company.

Sparton has already seen positive results from five completed implementation projects. Overall, Sparton's Jackson facility has seen in excess of \$175,000 in immediate savings. In addition, its overall on-time delivery has increased from 60 percent to 95 percent. Sparton has received significant new business due to increased capacity and has the potential of receiving substantial additional business from current customers, as they recognize Sparton's commitment to excellence and see positive results. Productivity has increased 30 percent and internal travel time for parts has been reduced by 90 percent, resulting in a 75 percent reduction in error rates. Of course, these are the quantifiable metrics. There are also positive results that are less tangible, but no less valuable to the company, such as increased employee morale,

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satisfaction, and retention.

In June 2002, Sparton was recognized as an exemplary supplier by the Aerospace Industries Association's (AIA) Supplier Management Council. Company management is already working on plans for 2003 and anticipates more lean improvements.

Results:

Saved more than \$175,000.

Increased overall on-time delivery by 35 percent.

Created significant new business opportunities by increasing capacity.

Increased productivity by 30 percent.

Reduced error rates by 75 percent.

Reduced internal travel time for parts by 90 percent.

Increased visibility and positive media exposure at the state and national level.

Increased employee morale and ownership, resulting in lower turnover rates.

Testimonial:

"I often form an opinion of a company based on the actions of their employees. From the beginning of our relationship with the Michigan Manufacturing Technology Center, they took personal pride in our successes, and invested in our business. Our trainer was particularly helpful and committed to seeing us improve. MMTC has been a valued partner in our improvement efforts."

Monte Hammouri, Quality Assurance Manager